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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JAN 31 1997

REPLY TO THE ATTENTION OF:

WU-17J

Lawrence Bengal, Supervisor
Illinois Department of Natural Resources
Office of Mines and Minerals
Oil and Gas Division
300 West Jefferson Street, Suite 300
Springfield, Illinois 62791-0137

Dear Mr. Bengal:

This enclosed end-of-year report is being sent to highlight progress that the Illinois Department of Natural Resources has made in administering the Class II Underground Injection Control (UIC) program during Federal Fiscal Year 1996. In preparing this report, we have drawn from a number of sources including the June 18-19, 1996 meeting of John Taylor and Helen Lenart of my staff with your staff, your 4th quarter reporting forms which were recently received, and additional written and verbal communications with your staff. Through this report, we hope to continue the dialogue on the future goals and direction of your program in addition to how U.S. EPA can continue to assist with the accomplishment of these goals.

As part of our partnership with your Agency, we are pleased to continue the discussion of pertinent State topics of mutual concern and interest, with both agencies working together to propose solutions. We feel that this approach reflects the maturation of your program, your demonstrated capabilities and U.S. EPA's commitment to State assistance.

Please feel free to comment on both our presentation of topics and proposed recommendations and conclusions, as we continue to assist your Agency in capacity building for the UIC program. Also, please let us know if there are any additional areas in which we can provide either technical or program assistance. If you have any questions, please contact either John Taylor or Helen Lenart of my staff who can be reached at (312) 886-4299 or (312) 353-6058, respectively. We appreciate your dedication and continued support of the UIC program and the efforts of your staff.

Sincerely,

A handwritten signature in cursive script, reading "Rebecca L. Harvey".

Rebecca L. Harvey, Chief
Underground Injection Control Branch

Enclosure

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Sincerely,

Rebecca L. Harvey, Chief
Underground Injection Control Branch

Enclosure

FS 1-30/97

Overall Observations

The Region wishes to commend Illinois Department on Natural Resources (IDNR) for the fine work performed during FY 1996. U.S. EPA continues to be impressed by the sheer volume of enforcement actions taken, permits issued, along with mechanical integrity tests (MIT) and inspections performed on an annual basis. The Region was pleased to learn that 17,621 inspections occurred from Sept. 1, 1995-June 1, 1996. These inspections are in addition to those involving the conclusion of the 5 year MIT testing cycle. From Jan. 1, 1996 to May 1, 1996 alone 8,000 inspections took place excluding those involving MIT tests and Temporarily Abandoned (TA) status. The Region congratulates the IDNR for the high standards it has achieved and for the model Class II program for other State Agencies it has become.

Grant Proposal

During the mid-year visit, discussions occurred regarding the on-going need for data entry of additional locations for 100,000 plugged wells. The Region suggested the opportunity to fund a special project grant to hire a full time employee to enter this information into the database. The Region is currently funding this project and looks forward to helping IDNR establish an area-of-review for mapping wells and determining latitude/longitude for Class II wells. The Region anticipates that IDNR will share well data information with U.S. EPA at the conclusion of this project grant.

Class II Reporting

During the mid-year visit, discussions occurred surrounding the issue of Class II reporting requirements. IDNR feels that the Class II UIC program would remain effective without the mandatory submission of OG-18 forms. U.S. EPA mentioned that other states find the process a useful mechanism to monitor compliance from the operators and their wells. IDNR feels that their strong field presence accomplishes this task and that inspectors out in the field discover more violations than are uncovered from OG-18s. Most OG-18 violations are for non-submission of the form. While IDNR supports the reduction of reporting requirements for these reasons, this issue is still under discussion at the national level and it does not appear likely that reporting requirements will be totally eliminated, although it is possible that reporting frequency may eventually be reduced.

MIT Testing Cycle

IDNR concluded its 5 year 20% MIT testing cycle in October 1995. During the reporting period (Oct 1, 1995-June 1, 1996) 3,179 violations were issued for the UIC program. 2,143 of these violations were related to the conclusion of this testing cycle. IDNR expects these wells to be plugged, converted, or placed in TA status. Many have done so already. No alternative well constructions have been used and a rule change would be needed for this to occur. The Region will review these alternative constructions again during FY 1997 and discuss them again with IDNR.

Oil Pollution Act (OPA) Program

The Illinois Department of Natural Resources, Division of Oil and Gas (IDNR/DOG) in conjunction with U.S. EPA-Region 5 remediated 3 tank battery facilities on abandoned leases in southern Illinois in FY96. This work involved removing oil bottom sediments, Class II fluids and other waste materials contained in several large leaking tanks and the containment dikes surrounding the tanks. After the tanks and other equipment and waste materials were removed, the sites were graded and leveled.

Approximately \$800,000 were expended to cleanup sites in Clinton, Marion and Wayne counties. The on-site coordinators from U.S. EPA worked with Division of Oil and Gas field personnel to ensure all state and federal requirements were met. The State provided information to U.S. EPA and the Coast Guard to facilitate cost recovery actions against the permittees for the sites.

This cooperative effort between U.S. EPA and IDNR/DOG was very successful. The OPA program complements the State's Plugging and Restoration Fund and we look forward to jointly working on additional sites in the future.

Aquifer Exemptions and Herscher Gas Storage Field

During the June, 1996 visit, Both the Region and IDNR discussed the status of the proposed aquifer exemption for the Herscher Gas Storage Field and the Colmar-Plymouth, Siloam, and Siggins Fields. Siggins, Buckhorn, and Siloam fields have aquifer exemptions that were approved in FY 1996. Colmar-Plymouth is gathering affidavits showing water is not being used for human consumption and that the wells are completed into an oil producing zone, so its status is pending. The Herscher Gas Storage Field aquifer exemption is also pending and National Gas Pipeline Company of America and its attorneys have met with U.S. EPA and are investigating the possibility of sampling and monitoring of the wells to address some of our concerns. The Region needs more information and research before reaching a final decision on this very complex issue.

Recommendations and Conclusions:

As usual, we wish to compliment you and your staff for administering an effective Class II program. We look forward to working in partnership with your agency in FY 1997. We anticipate continued work with your Agency on the primacy package update, which is nearing completion and we are willing to assist in any way we can with the resolution of other issues.

JS 1-23

**ROUTING AND CONCURRENCE FORM
UNDERGROUND INJECTION CONTROL BRANCH**

DOCUMENT PACKAGE:			
CONCURRENCES		INITIALS	DATE
1	ORIGINATOR - <i>H. Leavitt</i>		
	REVIEWERS -		
2	OFFICE AUTOMATION CLERK - Frances Shields		
3	STAT Team Leader John C. Taylor		
4	Branch EPA - Debra Jenkins	<i>DG</i>	<i>1/27/97</i>
5	BRANCH CHIEF- REBECCA HARVEY	<i>RWA</i>	<i>1/28/97</i>
6	DIVISION SECRETARY - Norma Ignasiak		
7	DIVISION DIRECTOR - JO LYNN TRAUB		
8	REGIONAL SECRETARY- Carol Kavcic		
9	REGIONAL ADMINISTRATOR - VALDAS V. ADAMKUS		

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